

**FY 2012**  
**BROWNFIELD RESTORATION AND ECONOMIC**  
**REDEVELOPMENT ASSISTANCE FUND**

**Fund Guidelines**

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
VIRGINIA RESOURCES AUTHORITY  
VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY

## **Introduction**

The General Assembly has allocated \$1,000,000 for FY 12 to be used for the purpose of promoting the restoration and redevelopment of brownfield sites and to address environmental problems or obstacles to reuse so that these sites can be effectively marketed to new economic development prospects.

The \$1 million will be allocated to the Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund established under Section 10.1-1237 of the Code of Virginia and, in these Guidelines, the program will be called the Virginia Brownfields Assistance Fund (VBAF) Program.

The Fund shall be administered by the Virginia Resources Authority (VRA). The Virginia Economic Development Partnership (VEDP) shall direct the distribution of loans or grants from the Fund to VBAF grant recipients (Recipients), in consultation with the Virginia Department of Environmental Quality (DEQ) and based upon the procedures set forth in these Guidelines.

## **Award Amounts**

It is expected that all awards will be made as grants. The maximum allowable grant request will be \$50,000. Requests for additional moneys, however, will be considered on a case-by-case basis and will be dependent on the amount of money remaining in the VBAF. VBAF grant proceeds may not be used as a substitute for other funds that have already been committed to a project. There is a local match requirement, which is discussed on page 2. Recipients will have until December 31, 2012 to complete their proposed projects.

## **Availability of Funds**

The \$1,000,000 available in FY12 is a one-time allocation to the VBAF. Performance agreements with Recipients will include language that allows the Commonwealth to make funding adjustments as necessary in the event of future budget cuts.

## **Eligible Applicants**

Only political subdivisions, including counties, cities, towns, industrial/economic development authorities and redevelopment and housing authorities, may apply for VBAF grants (Applicants).

## **Eligible Properties**

The program is targeted toward projects or phases of work that can be completed and show "potential for redevelopment of the site." Demolition is de-emphasized and it is recommended that requests for funding for such activities be directed to the Virginia Department of Housing and Community Development for potential funding under the Industrial Revitalization Fund/Derelict Structures Fund.

When a Phase I or Phase II Environmental Site Assessment or further characterization as part of All Appropriate Inquiry (to meet the ASTM E1527) is being completed for assessment purposes, the property may be publicly or privately owned as long as the property has public or private redevelopment potential.

If VBAF grant funding is sought for actual cleanup / remediation, the property must be under public ownership and privately owned property is **not eligible** for funding for cleanup / remediation purposes.

### **Eligible Uses of Funds**

The VBAF grant proceeds may be used for the purposes of promoting the restoration and redevelopment of brownfield sites and to address real environmental problems or obstacles to reuse so that these sites can be effectively marketed to new economic development prospects. The VBAF grant proceeds may be used to pay the reasonable and necessary costs associated with the restoration and redevelopment of a brownfield site for (i) environmental and cultural resource site assessments, (ii) remediation of a contaminated property to remove hazardous substances, hazardous wastes, or solid wastes, (iii) the necessary removal of human remains, the appropriate treatment of grave sites, and the appropriate and necessary treatment of significant archaeological resources, or the stabilization or restoration of structures listed on or eligible for the Virginia Historic Landmarks Register, (iv) demolition and removal of existing structures, or other site work necessary to make a site or certain real property usable for new economic development, and (v) development of a remediation and reuse plan. Although Applicants are welcome to submit applications for cultural resource site assessments and for the work described in clauses (iii) and (iv) above, first priority will be given to applications for environmental site assessments and for the work described in clauses (ii) and (v) above.

Only one application will be accepted from any one Applicant; however, the VBAF grant proceeds do not need to be limited to use on one property and may be used to assess multiple properties, as long as the total costs to be paid from VBAF grant proceeds do not exceed the total grant awarded. It is not expected that more than one grant will be made in any one community in any one fiscal year, unless there are moneys remaining in the VBAF after all similarly-evaluated applications have been awarded grants.

### **Local Match; Local Responsibility**

The intent of the VBAF funds is to help fill a financing gap that has prevented reuse and/or redevelopment of vacant and blighted brownfield properties. As such, Applicants are required to provide a local match of at least 100 percent, from private or public sources. A higher local match will cause the application to be considered more favorably.

Example: An Applicant requesting \$50,000 must provide \$50,000 in local match.

Local match must either be cash or documented costs that are associated with the work being done on the property where VBAF grant proceeds are to be expended. Costs related to the reasonable and necessary costs associated with the restoration and redevelopment of a brownfield site for: (i) environmental site assessments; (ii) remediation of a contaminated property to remove hazardous substances, hazardous wastes, or solid wastes; (iii) development of a remediation and reuse plan; (iv) engineering; and (v) design or architectural activities as well as other costs such as public notices, permit fees and inspections costs (or waivers of such) related to physical activities may be used as local match, provided that such costs are specifically identified in the application. The cost of environmental testing and costs associated

with the purchase of the property may also be used for the match. Local match may include federal (including EPA Brownfields Grant), local or private funds. The Applicant may count all such costs spent after July 1, 2006, on activities related to the targeted project. For local matches yet to be expended or incurred, the Applicant must reasonably expect to expend or incur such costs prior to December 31, 2012.

Applicants must demonstrate that they have enough funding, including the VBAF grant funding, to complete the environmental project for which the VBAF grant was made.

VBAF grant proceeds may only be used for **expenses incurred after the signing of the VBAF grant performance agreement.**

### **Administrative Costs**

Recipients may use up to three percent (3%) of the VBAF grant proceeds to cover out-of-pocket administrative costs. Recipients may use as local match an additional five percent (5%) to cover such administrative costs. The use of the additional five percent (5%) of administrative costs as local match must be outlined in the application.

### **Fund Access**

A VBAF grant performance agreement between VEDP and the Recipient outlining end products, conditions, fund disbursement and termination must be executed before any VBAF grant proceeds are disbursed. It is expected that VBAF grant proceeds will be disbursed in two payments, with fifty percent (50%) paid at the time that the VBAF grant performance agreement is signed and fifty percent (50%) paid when the final report is filed indicating that the project is complete or an amount equal to the remaining VBAF grant proceeds has been expended or incurred. Recipients unable to demonstrate that disbursed VBAF grant proceeds have been spent on authorized costs of the project will be expected to repay the proceeds to VEDP, for redeposit to the VBAF.

If the VBAF grant will be for \$10,000 or less, VEDP will consider authorizing the payment of the entire grant up-front, when the VBAF grant performance agreement is signed.

It is expected that VBAF grant performance agreements will contain a provision to allow for an additional grant disbursement, in an amount up to 20% of the originally-approved grant, if that additional amount, plus other identified funds, will be sufficient to allow the Recipient to complete a remediation, clean-up or other final work identified through the results of the original scope of work. For example, a Recipient that received \$50,000 to perform an environmental site assessment may request a further \$10,000 if the \$10,000, plus other identified funds, will allow the Recipient to complete any remediation recommended as a result of the site assessment. As required by the statutes creating the VBAF grant program, Applicants are required to demonstrate a local match of at least 100 percent of the additional grant funds, from private or public sources. Any local match identified in the Applicant's original application materials in excess of the local match requirement for the originally-approved grant will be credited toward this local match requirement, as will any costs incurred on the original scope of work in addition to the VBAF grant proceeds, and any costs to be incurred by the Recipient on the remediation work in addition to the VBAF grant proceeds.

## **Program Funding Priorities**

The ultimate intent of the VBAF is to promote the restoration and redevelopment of brownfield sites and to address environmental problems or obstacles to reuse so that these sites can be effectively marketed to new economic development prospects. The Fund should promote projects that by their completion will spark additional private investment and job creation in the immediate future. Based on that intent, VEDP has established the following funding priorities and will direct funding to those projects meeting one or more of them:

- **Use or reuse of existing infrastructure**  
Applicants should provide information on whether the project will make use of existing infrastructure such as waterlines, wastewater lines, energy services, and existing roads. Therefore, projects that seek to repurpose or redevelop the property served by existing infrastructure will be given more consideration over projects that focus on areas not currently served by infrastructure.
- **Limited ability to draw on other funding sources**  
Applicants in communities that have an unemployment rate or a poverty rate for calendar year 2010 that exceeds the statewide unemployment rate or poverty rate for calendar year 2010 will be given more consideration for funding.
- **The potential for redevelopment of the site**  
Priority will be given to properties which have significant potential for redevelopment. Applicants should provide information on the potential for redevelopment; on potential plans for the property; a discussion on why redevelopment of this property could be a catalyst to larger revitalization projects; and any additional information relating to the potential for site redevelopment.
- **The economic and environmental benefits**  
The economic and environmental benefits for the surrounding community will be taken into the evaluation and ranking of the projects.
- **Extent of the perceived or real environmental contamination**  
The extent of the perceived or real environmental contamination will be considered in the evaluation of the property. Priority will be given to sites where the environmental issues can be resolved with the grant money or other funding within a brief period of time and redeployed.

## **Application Timetable**

It is expected that these Guidelines and the Application Form will be distributed in August of 2011. The first round of applications will be due by September 30, 2011. By October 31, 2011, VEDP will announce awards to be made. Performance agreements will be negotiated and completed by the end of December, 2011, with 50% of each grant expected to be paid at that time (or 100% of grants in amounts of \$10,000 or less).

After the initial rounds of applications, if uncommitted moneys remain in the VBAF Fund, it is expected that new applications will be evaluated on a case-by-case basis based on the merits of the request. If uncommitted moneys still remain in the VBAF Fund, another round of applications will be solicited and accepted in the spring of 2012.

### **Contractual Obligations**

All performance agreements are subject to negotiation with VEDP.

The performance agreements will require each Recipient to complete its project by December 31, 2012. A final report must be submitted by each Recipient describing the work completed and identifying the costs paid.

Any Recipient that does not use all of its designated funds by December 31, 2012 will, to the extent applicable, be asked to repay disbursed funds that have not been used and/or will lose the remaining fund balance.

Changes to the scope of work identified after a performance agreement has been signed will be permitted if authorized by VEDP, in consultation with DEQ.

### **Application Procedures**

The application shall consist of the attached FY 2012 Virginia Brownfields Assistance Fund form, and any associated documentation for the proposed project. Completed applications are due by 4:30 p.m. EDT on Friday, September 30, 2011. Brevity is considered a virtue.

VEDP and DEQ strongly prefer that application materials be sent electronically to both:

rmclintock@yesvirginia.org  
J.Meade.Anderson@deq.virginia.gov

If electronic submissions are not possible, two unbound copies of the completed application materials must be received no later than 4:30 p.m. EDT on Friday, September 30, 2011, at the following address:

Mail Delivery:  
Robert W. McClintock, Jr.  
Director, Research Division  
Virginia Economic Development Partnership  
P. O. Box 798  
Richmond, VA 23218-0798

Street Delivery:  
  
Virginia Economic Development Partnership  
901 East Byrd Street, 19<sup>th</sup> Floor  
Richmond, VA 23218

No exceptions will be made to this deadline.

## **Evaluation and Award**

The proposals will be reviewed and selected by a committee of VEDP and DEQ staff and awarded based on the perceived highest merit using the criteria described in these Guidelines. An expected scope of work must be developed and provided as part of the application materials. Should the Applicant be selected for a VBAF grant, this scope of work will be necessary for the development of the grant performance agreement.

## **Contractual Agreements**

All work to be accomplished through the Virginia Brownfields Assistance Fund program must be legally undertaken by the applicant in accordance with the Virginia Public Procurement Act. All rights and obligations of the Recipient related to the VBAF grant will be embodied in a VBAF grant performance agreement. Each such performance agreement will be between a Recipient and VEDP. Once the project has been completed, or the Recipient has paid or received its final invoices, the Recipient may invoice VEDP for the remaining funds, up to the lesser of the amount (net of the original 50% disbursement) expended or invoiced and the remaining balance.

As noted above, there may be an opportunity for amendments to the grant performance agreement to allow for an additional grant payment, if such additional amount will allow a Recipient to complete a task identified through the completion of the original scope of work.

## **Report and Data Requirements**

The investigation methodology, collection, sampling, laboratory analysis, evaluation, and report development and compilation are expected to be of the quality as would be required for submission to the Virginia Voluntary Remediation Program (VRP) or any environmental regulatory programs which may apply. Phase I work should follow ASTM International's E1527-05 "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process". The Recipient and its contractor are responsible for quality assurance for the report(s) developed as part of this process.

While enrollment into the VDEQ VRP is not required, it is strongly encouraged to gain the statutory liability protections and to provide agency oversight into site cleanup. If a Recipient elects to not enroll the property into the VRP (for sites not under a regulatory program) the Recipient is expected to meet VRP remediation and risk standards of care for reuse of the property. The Recipient is expected to maintain all records for facilitating potential future brownfields revitalization of the property, to demonstrate appropriate care, and to facilitate potential future VRP enrollment if necessary.

## **Questions**

Please direct any general questions regarding the administration of the VBAF program to:

Robert W. McClintock, Jr.  
Director, Research Division  
Virginia Economic Development Partnership  
P. O. Box 798  
Richmond, VA 23218-0798  
804-545-5772 (phone)  
804-545-5771 (fax)  
[rmcclintock@yesvirginia.org](mailto:rmcclintock@yesvirginia.org) (E-mail)

Please direct any questions regarding the environmental or technical aspects of a project or an application to:

J. Meade R. Anderson, CPG  
Brownfields Program Manager  
Virginia Department of Environmental Quality  
P.O. Box 1105  
Richmond, VA 23218  
804-698-4179 (phone)  
804-698-4234 (fax)  
[j.meade.anderson@deq.virginia.gov](mailto:j.meade.anderson@deq.virginia.gov) (E-mail)



**Attachment 1**  
**FY 2012 Virginia Brownfields Assistance Fund Program**

The entire Application must be received by **4:30 p.m. EDT on Friday, September 30, 2011**, to be considered for the initial round of grants from the FY 2012 Virginia Brownfields Assistance Fund Program. See the Guidelines for information regarding the addresses for electronic (preferred) or physical delivery of the Application materials.

1) The Applicant and Contact Information:

Name of Applicant and Federal ID Number

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Brief description of your organization:

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Project contact person:	
Contact person phone number:	
Contact person email:	
Mailing address for grant correspondence :	

2) The Project:

Brief description of project, including the location of the property/properties (100 words or less):

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3) Signature:

\_\_\_\_\_  
Applicant's Project Manager

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**FY 2012 Virginia Brownfields Assistance Fund Program  
Evaluation Form**

The proposal review committee will review applications using its discretion, based upon the criteria for the VBAF grant program identified in the Guidelines and the responses to the requests for information provided below. Please provide the requested information in a clean and concise manner. Any supporting documentation may be attached, as needed.

1. Please indicate whether the locality in which the project will be located has an unemployment rate for calendar year 2010 above the average statewide unemployment rate for 2010 **and/or** a poverty rate for calendar year 2010 above the statewide average poverty rate for 2010. The information can be found on the [www.virginiaallies.org](http://www.virginiaallies.org) website under the tab "Incentives."

Higher than average unemployment rate:        ☐ Yes    ☐ No

Higher than average poverty rate:                ☐ Yes    ☐ No

2. The locality has developed documented plans for future reuse of the property.    ☐ Yes    ☐ No
3. Please provide a brief discussion of the rationale for the redevelopment potential which this property has and describe current and past interest and comprehensive plans the locality has on file. A clear relationship of the property to a local or regional economic development strategy will be key to a project being given more consideration as compared to a property which does not have a link to such a strategy (200 words or less):

4. The property currently has existing infrastructure (roads, railroads/spur lines, water, sewer, energy, broadband) which will be used or reused by the potential redevelopment and is consistent with the redevelopment plan. \_\_\_\_\_ Yes \_\_\_\_\_ No

Please describe the intended use of the existing infrastructure (100 words or less):

5. Please summarize the suspected or known soil contamination, water contamination, asbestos or other environmental challenges at the property (100 words or less):

6. Please describe the scope of work to be undertaken (200 words or less) (Applicant may attach additional documentation, if need be):

7. Please describe the current status and expected time schedule for the scope of work described in #6 above, being mindful that the project must be completed by December 31, 2012 (100 words or less):

8. Amount requested from VBAF (not to exceed \$50,000): \$\_\_\_\_\_  
Total budget: \$\_\_\_\_\_

Please show the budget for the project, including costs and sources of funds, including any local match (described in further detail below), by major category or phase:

9. Please describe the type, amount, source and timing of the required local match (100 words or less):

10. Plans include enrolling the property in the VRP (or is already in the VRP). \_\_\_\_\_ Yes \_\_\_\_\_ No  
Please describe the current status (100 words or less):